



Butadiene (Asia-Pacific)

By Ai Teng Lim
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Please click [here](#) for full details on the criteria ICIS uses in making these price assessments.

All prices in the weekly analysis on 9 August are assessed based on information collated up to 8 August, except for the Chinese domestic yuan (CNY) prices. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **SE Asia sees sudden spurt of spot offers**
- **Buy-side's supply anxieties assuaged**
- **Most reverted to wait-and-see stance**

Discussions in the Asian spot import market for butadiene (BD) remain under downside pressures as additional spot supplies emerge at a time when buying interest is faltering.

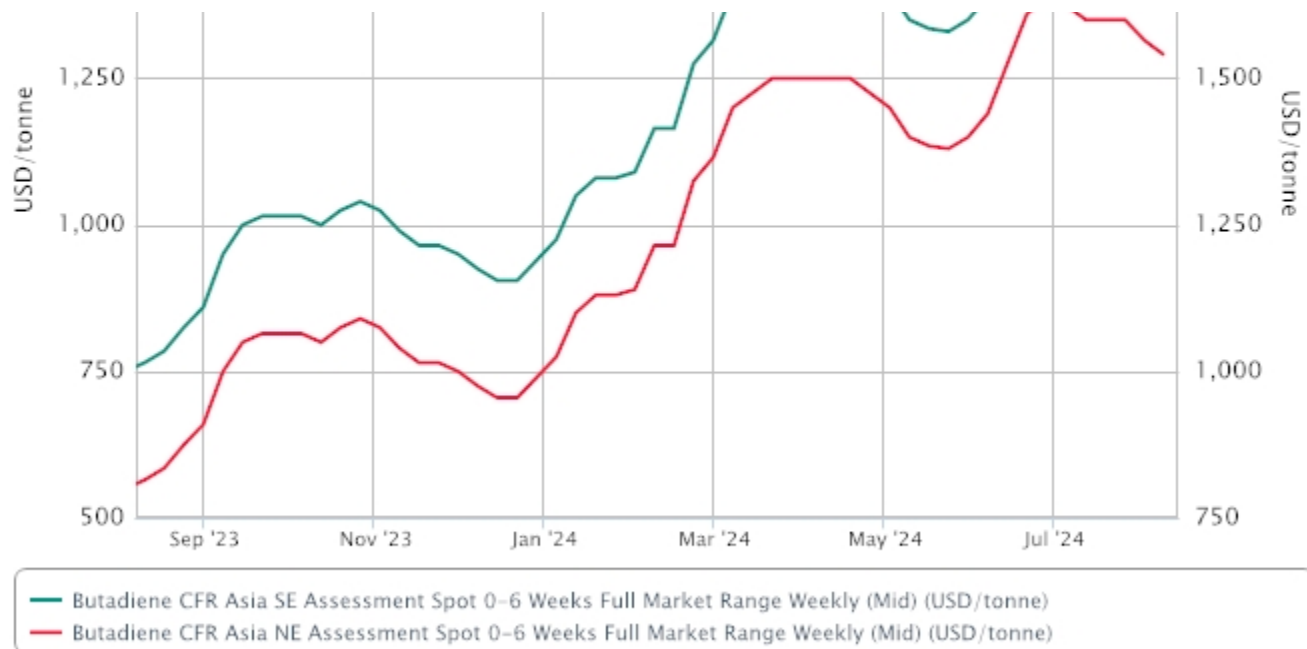
Substantive requirements are not active to begin with since many regional end-users would have already covered the bulk of their August needs, and possibly for September as well, with prior purchase of regional and deep-sea-origin materials.

While there were indeed still limited pockets of unfilled demand gaps, market players said that the potential buyers were in no hurry to commit now as they believe the market could soften further to their advantage in due course, especially if broader macroeconomic growth developments get derailed by events such as the [global equity rout](#) seen this week.

Spot supplies also grew this week, with several August/September shipment cargoes floated for export sales from southeast Asia. This served to assuage prior anxieties among potential buyers as well about the market being caught short, and strengthened their determination to continue to wait and see.

Market players expected the buy-sell tussle to extend and stretch for some time more, or at least until there is more clarity on how the broader macroeconomic landscape pans out.





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OUTLOOK

- Spot supplies may lengthen with impending [plant restart](#)
- Demand may stay muted on macroeconomic worries
- Buy-sell divide may widen

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-20	1500.00-1550.00	-20	1590.00-1610.00	68.04-70.31
CFR NE Asia	USD/tonne	-30	1500.00-1580.00	-20	1550.00-1650.00	68.04-71.67
CFR SE Asia	USD/tonne	-30	1450.00-1530.00	-20	1500.00-1600.00	65.77-69.40

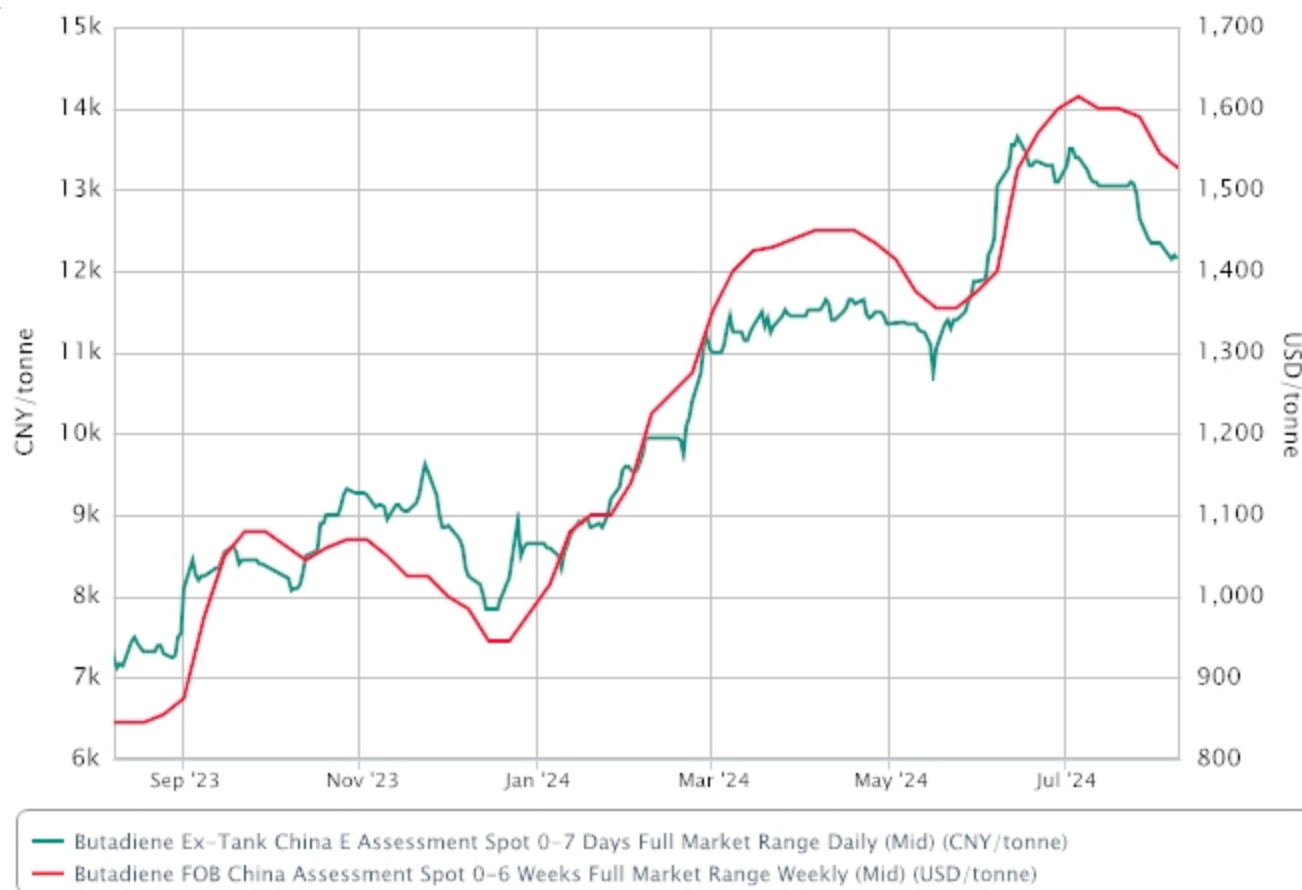
China

The FOB China assessment fell, with lower offers tracked at the high end.

There were no concrete buy-side response detected and the low end was adjusted down in tandem with changes at the high end to reflect bearish buying sentiment in the absence of any fresh buying indications.

Domestic China prices remained under pressure, and a major domestic producer revised down its domestic list

prices by yuan (CNY) 300/tonne in the week.



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Northeast Asia

There were limited spot discussions in the week on fixed price, CFR NE Asia terms.

Much of the attention was focussed on several sell tenders floated in the week, involving a total of 5 southeast Asia-origin cargoes available to lift in H2 August and September.

Two of these cargoes were sold in the week, albeit on formula-linked terms and FOB SE Asia basis.

One of the tenders involved two H2 September cargoes will only close in the coming week, and many players held back to await the outcome of the tender before deliberating their next buy-sell moves, market sources said.

Meanwhile, limited, albeit non-conclusive, discussions were conducted over China-origin materials available to lift in late August. Related selling indications were heard at the high end and up against buying indications heard capped at the low end.

Monthly Jul 24 Jun 24 May 24 Apr 24 Mar 24 Feb 24 Jan 24 Dec 23

Contract

DEL, \$/

tonne

Taiwan	1,515	1,395	1,355	1,415	1,348	1,135	1,020	910
FPCC								
Korea	1,565	1,493	1,390	1,450	1,405	1,165	1,070	945
YNCC								

Southeast Asia

The CFR SE Asia assessment was adjusted in line with changes for the CFR NE Asia assessment.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

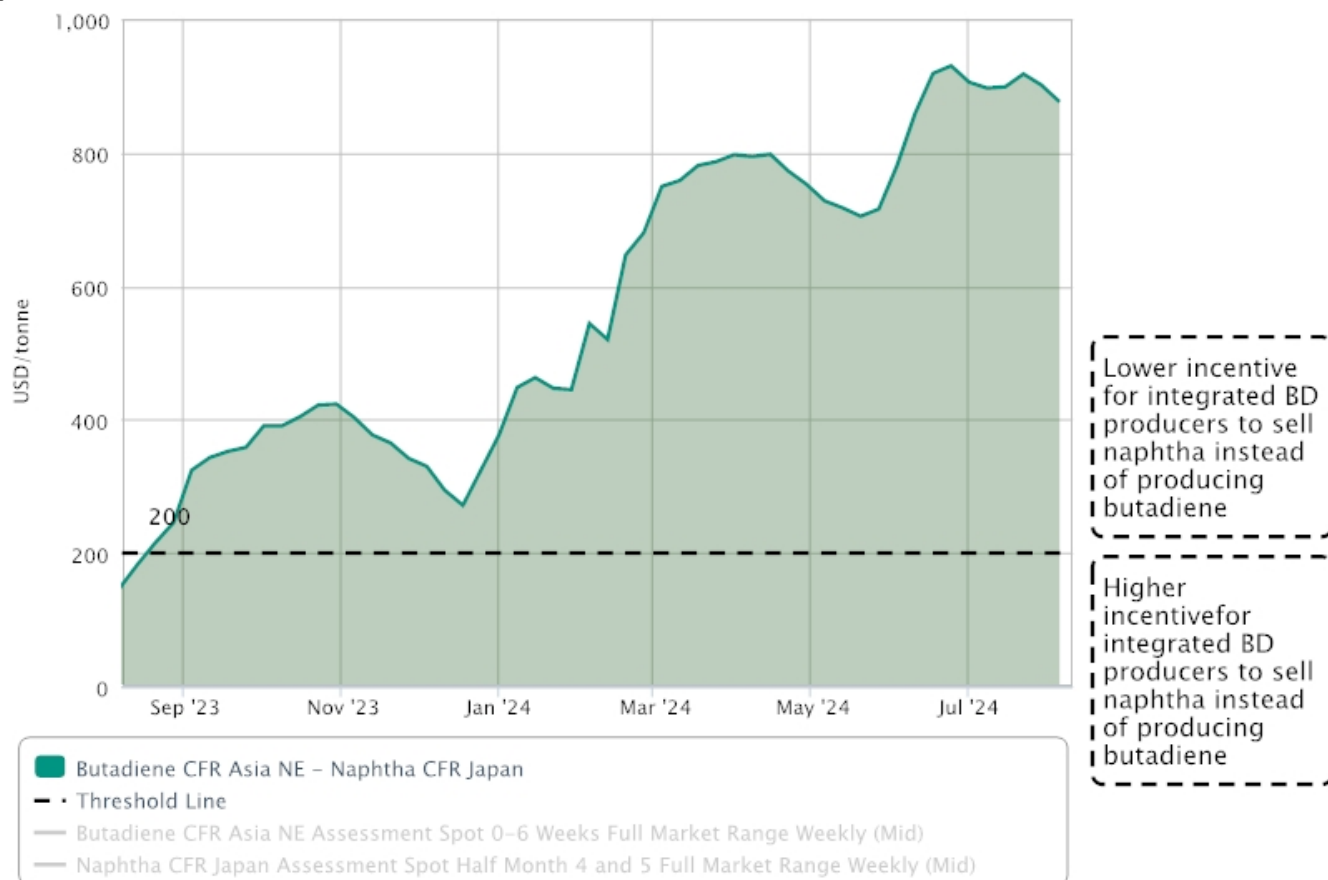
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	n/c	12100-12200	n/c	12300-12400	-

UPSTREAM

Naphtha

- Market sentiment improves as new crackers in China could provide support ahead
- Inter-month spread ends business week at \$4.50/tonne; nine times higher vs a week ago
- Crack spread on 6 Aug at highest since 15 Mar but eases after Brent recovery

[Feedstock spread between Naphtha CFR Japan and Butadiene CFR NE Asia](#)



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Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

DOWNSTREAM

Styrene butadiene rubber (SBR)

- Downside pressures persist in China
- Discussions steadier in wider Asia
- Demand outlook dull but spot supplies limited

The chart below shows the spread between BD and SBR in Asia, which while still wedged in the unhealthy zone, has improved of late.

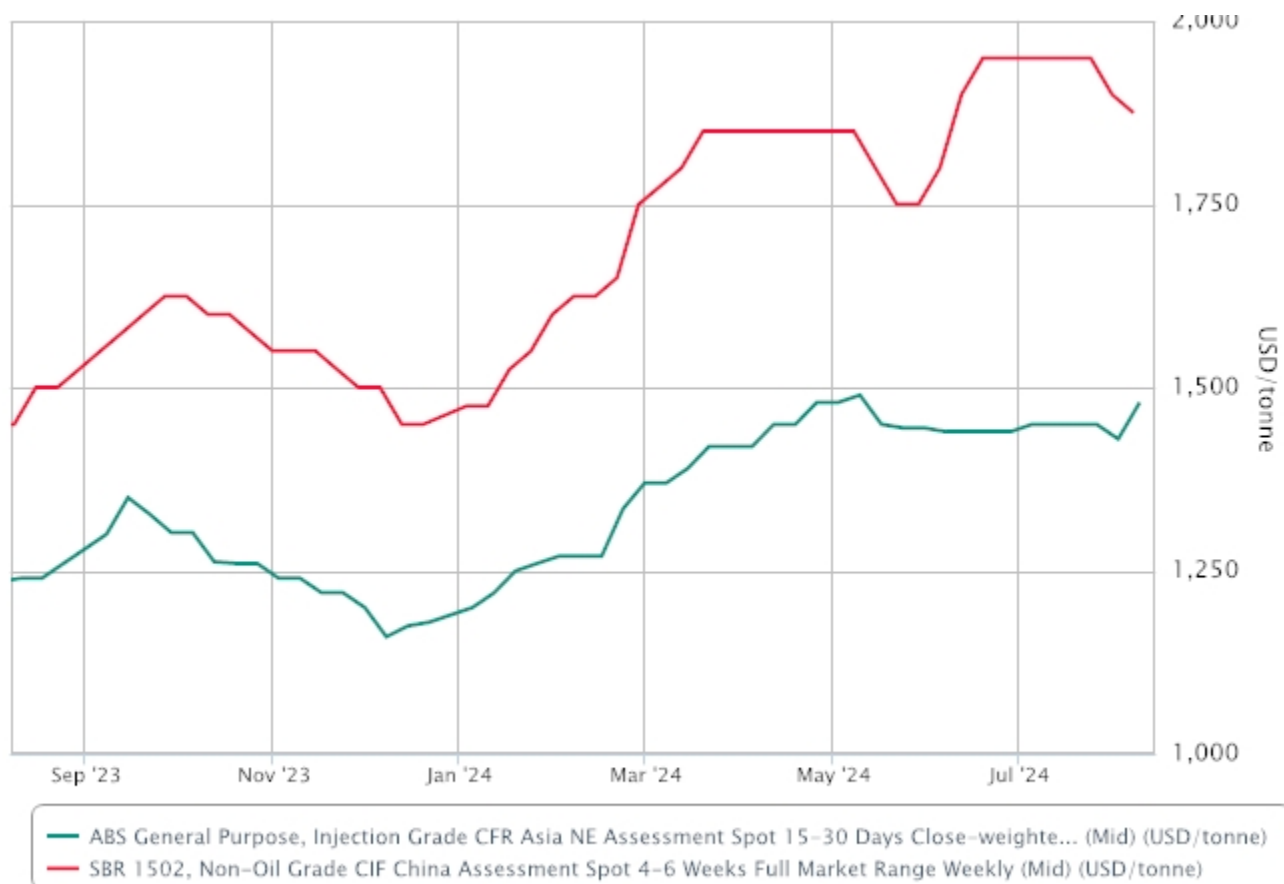
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile butadiene styrene (ABS)

- Import markets rebound after last week's decline
- Production cuts reduce availability for necessary procurement
- Seller margins down to slightly above threshold



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PRODUCTION

In wider Asia, a [162,000 tonne/year unit](#) in Taiwan will shut in August for maintenance, but another [109,000 tonne/year unit](#) at the same site, which has been shut since March, will restart in September.

In China, a 100,000 tonne/year unit in [Panjin](#) started a 50-day maintenance from early July, while a 50,000 tonne/year line in [Shandong](#) went offline for about a week in H1 July for unplanned weather-related repairs, market sources said.

In SE Asia, a 110,000 tonnes/year unit in [Vietnam](#), which shut since late February, is expected to restart sometime in August, market sources said.

And another 70,000 tonne/year plant in the Philippines, which suspended operations in late July on weather-related grounds, [resumed](#) this week.

Click [here](#) for the Live Disruption Tracker.

OTHER REGIONS

Europe

- Market remains firm
- Additional unplanned issue restricts supply further

- Spot prices mostly higher week on week in an effort to find alternatives
- Demand considered steady, both domestic and export healthy

US

- [US BD market contracts settled at a rollover](#)
- US BD supply remains marginally sufficient to meet demand despite weak operating rates
- Planned maintenance expected from August to October

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